

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Board of Directors

August 24, 2015

6:30 p.m.

Meeting Location:

San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno

1. **Call to Order/Welcome:** President Nancy Kraus called the meeting to order at 6:32 p.m.
2. **Roll Call:** Board Members Kraus, McGlothlin, Cohn, Roberts, Bohm, Hedley, and Stanback Stroud present.
3. **Approval of Minutes:** July 29, 2015, Special Board Meeting: Vice President McGlothlin moved to approve the minutes of the July 29, 2015, Special Board Meeting, seconded by Board Member Bohm, approved unanimously.
4. **Board Member Comments:**
 - a. **President:** President Kraus recognized the presence of San Bruno Chief of Police Ed Barberini, San Bruno Park School District Superintendent Cheryl Olson, and San Bruno Park School District Board of Trustees President Kevin Martinez. She thanked Board members for their exceptional volunteerism and also thanked Executive Director Hatamiya, City staff, and the public.
 - b. **Others:** None.
5. **Executive Director's Report:** Executive Director Hatamiya reported that she continues to work on the Foundation's administrative, corporate governance, and community-building activities. She reported that she and President Kraus have met with elected county, state, and federal representatives. She also reported that she has begun looking at options for retaining outside nonprofit counsel to provide legal advice on issues that may arise in the Foundation's work.

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6. Audit Committee Report: Audit Committee Chair McGlothlin reported that the Audit Committee met on August 17, 2015, to evaluate proposals solicited for audit and tax preparation services. He reported that the Committee had selected four finalist accounting firms to interview and that the Committee intends to return to the Board on September 2, 2015, with a final recommendation of an accounting firm to engage for audit and tax preparation services.

7. Consent Calendar:

- a. Adopt Resolution Scheduling a Special Board Meeting on September 2, 2015
- b. Adopt Resolution Cancelling the September 17, 2015, Regular Board Meeting and Scheduling a Special Board Meeting on September 14, 2015
- c. Receive and Approve Treasurer's Report

Board Member Stanback Stroud moved to adopt the consent calendar, seconded by Board Member Hedley, approved unanimously.

8. Conduct of Business

- a. Adopt Resolution Changing Schedule of Regular meetings of the Board of Directors of the San Bruno Community Foundation

Executive Director Hatamiya reported on the need to find a new meeting venue to accommodate a growing public interest in the Foundation's activities and on her research of various potential meeting spaces in San Bruno. She reported her recommendation to move the location of the Foundation's Board meetings to the San Bruno Senior Center, which, due to the Senior Center's regular programming, would also require a change in Board meeting dates.

Board Member Bohm moved to adopt resolution changing schedule of regular meetings of the Board of Directors to the first Wednesday of each month beginning October 7, 2015, to be held at the San Bruno Senior Center, seconded by Board Member Stanback Stroud, approved unanimously.

9. Study Session:

- a. Presentation on Quasi-Endowment Scenarios by Mark Hayes, Ph.D.

Executive Director Hatamiya introduced Mark Hayes, Ph.D., a former managing director of the Stanford Management Company who has been providing pro bono counsel over the past few months. Dr. Hayes explained the reasons the Foundation might want to consider treating some portion of its funds as an endowment and the differences between a true endowment and a

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quasi-endowment. He then presented a simplified endowment scenario model he created and explained the assumptions (regarding inflation, investment portfolio mix, and investment returns over the next seven years) built into the model. Using the model, he presented sample payout scenarios at different levels of endowment and discussed market volatility and the benefits of payout smoothing.

Three members of the public (Jeffrey Tong, Michael Kesselman, and Marty Medina) asked for clarification of the model, and Dr. Hayes and Executive Director Hatamiya responded.

Treasurer Cohn and Vice President McGlothlin commented on Dr. Hayes' presentation.

b. Report of Program Strategy Development Committee by Nancy Kraus, Committee Chair

President Kraus, who chairs the Program Strategy Development Committee, reported on the Committee's progress developing the Foundation's program strategy framework document, which she said would likely include the Foundation's mission, vision, and purpose statement; guiding principles, funding criteria; and "three-bucket" program strategy approach. She reported that the Committee is hoping to bring a final draft of the program strategy framework to the September 14, 2015, meeting for Board approval and then to the City Council for approval on September 22, 2015.

Several Board members commended the Committee on the work it has put into the development of the program strategy framework.

Several community members (including Carolyn Gray, Maria Barr, Ruth Pallas, Kevin Martinez, and Jeffery Tong) addressed the Board, primarily asking for clarification on the program strategy framework.

President Kraus then presented a short list of near-term projects ideas the Committee is considering proposing to the Board.

Board members provided feedback on the proposed near-term projects.

Several members of the public (including Marty Medina and Michael Kesselman) also asked questions about the suggested project concepts.

Executive Director then walked the Board through timelines for the Foundation's program development activity and investment strategy development activity through early 2016. She also asked the Program Strategy Development Committee to take on the additional task of making a recommendation of how much the Foundation should target for a quasi-endowment. She explained that to take over possession of the restitution funds, the Foundation needs to hire an investment management firm and develop an investment policy, but what the investment strategy looks like will greatly depend on how much the Board plans to spend in the near term and how much it wants to treat as endowment. Because the decision about whether to set

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aside funds as a quasi-endowment is ultimately a program-driven decision, she recommends that the Program Strategy Development Committee provide this initial endowment target.

10. Public Comment: None.

11. Adjourn: Board Member Hedley moved to adjourn the meeting at 8:45 p.m., seconded by Vice President McGlothlin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of October 7, 2015, by Secretary Emily Roberts and President Nancy Kraus.



Emily Roberts, Secretary



Nancy Kraus, President